



FOR JAMES, JR.
Governor

State of Alabama
Department of Human Resources

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December 15, 1997



Martha S. Nachman
Commissioner
Greg Hoyt
Assistant Commissioner

Ms. Cynthia Johnson, Director
Cash Management Policy and Planning Division
Financial Management Service
U.S. Department of the Treasury
Room 420, 401 14th Street, S.W.
Washington, D.C. 20227

Dear Ms. Johnson:

This letter is to provide Alabama's comments on 31 CFR Part 208, Management of Federal Agency Disbursements; Proposed Rule, dated September 16, 1997.

As you know, Alabama is the very first state to combine federal and state benefits on a single electronic benefit transfer card. Alabama, in partnership with the Department of Treasury, has proven the viability, cost effectiveness, and beneficiary convenience and satisfaction of a single card under the requirements of the Invitation for Expressions of Interest to Acquire EBT Services (IEI). In Alabama, there are currently over 1,000 SSI and RSDI beneficiaries with a Benefit Security Card and over 500 of the 1,000 have both federal and state benefits combined on their card.

The writing of the IEI involved tremendous time and effort by Treasury and the SAS states, with participation from client advocate groups, retailers (many of whom provide cash access to beneficiaries as well as food stamp benefits) and financial institutions and ATM networks. The result of this extensive effort was the Benefit Security Card in SAS, which carries both federal and state benefits with access based on the ever growing commercial infrastructure throughout the Southeast. Interoperability in SAS states provides beneficiaries the same EBT services they receive in their own state should they move or travel outside the state.

Issues raised in the proposed rule, such as those which deal with hardship situations in the conversion from a check to electronic transfer of funds, were also principal concerns to Treasury, SAS, and Alabama in the implementation of EBT. These concerns have been met through detailed, on-going requirements for customer services and benefit accessibility in the SAS EBT system.

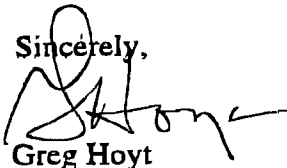
Alabama has successfully accomplished the combining of federal and state benefits on a single card with the advantages of a 24 hour-a-day customer Help Desk, interoperability,

EFT
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and unparalleled accessibility to benefits. Federal beneficiaries may access benefits at numerous merchants regardless of whether they receive state benefits as well as at ATMs.

The proposed rules indicate that systems such as the Southern Alliance of States would remain in place as an alternative to the proposed rules, thus continuing a successful, existing delivery system for our mutual clients. It is anticipated that the final rules will confirm that the EBT accounts established in the Treasury/SAS project will satisfy the requirements of EFT and EBT. Alabama believes its current EBT system for federal and state beneficiaries represents the best possible delivery system of government benefits for all concerned.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Hoyt", with a stylized flourish extending to the right.

Greg Hoyt
Assistant Commissioner